

UNIT COMMUNICATIONS LETTER BOX

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GERDING, KORTE & CHITWOOD

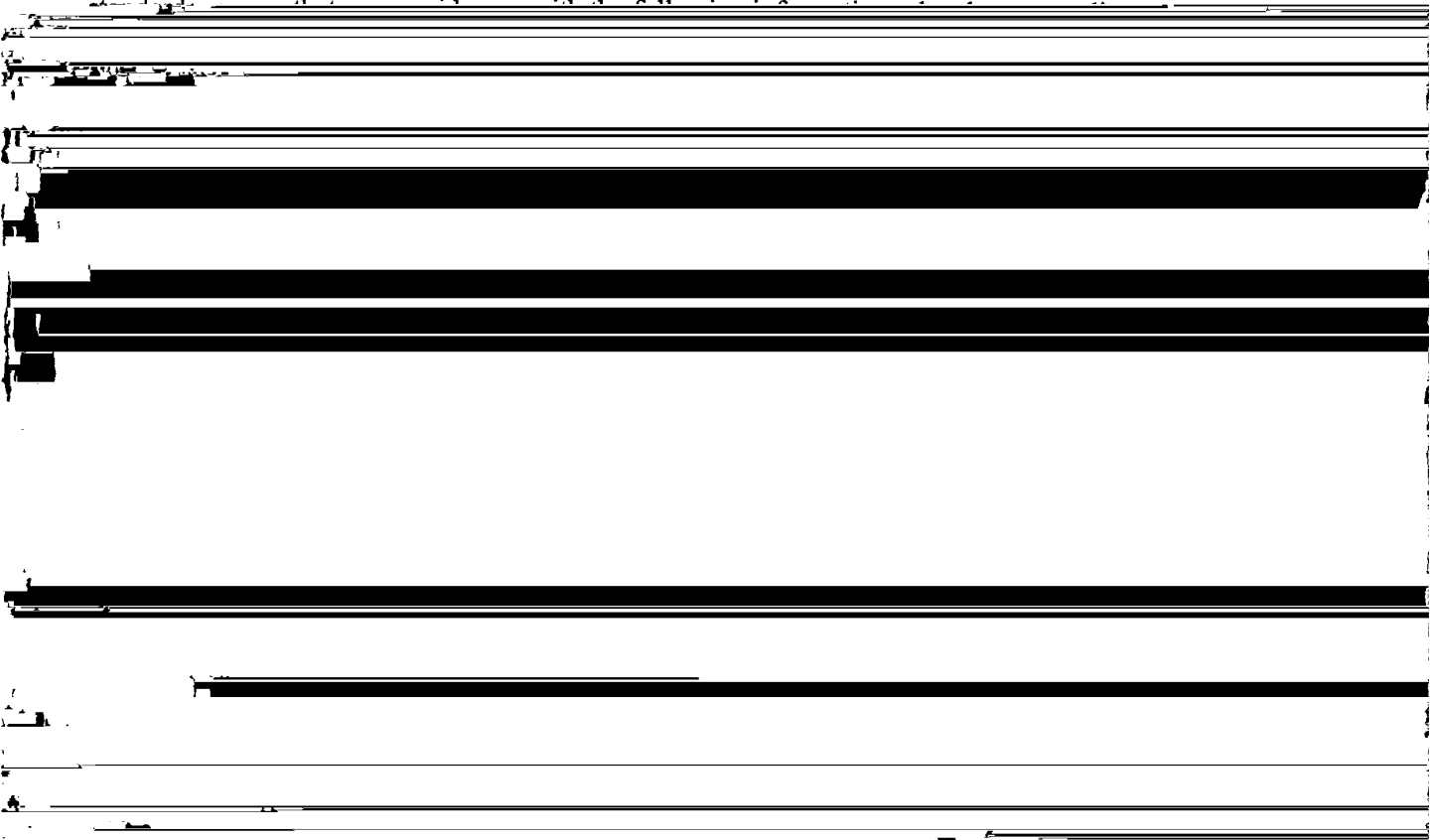
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October 8, 2004

To the Audit Committee and Board of Education
Columbia Public School District
Columbia, Missouri

We have audited the financial statements of Columbia Public School District (the "District") for the year ended June 30, 2004, and have issued our report thereon dated October 8, 2004. Our professional



This report is intended solely for the information and use of the Audit Committee, Board of Education, management, and others within the District and is not intended to be and should not be used by anyone other than these specified parties.

SECTION ONE

Professional Standard C

Our Responsibility Under U.S. Generally Accepted Auditing Standards - PCAOB CL 101-100

As stated in our engagement letter dated May 17, 2004, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable but not absolute

Significant Audit Adjustments

For the purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the financial statements that, in our judgement, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us, but not recorded by District that could potentially cause future financial statements to be materially misstated, even though we have concluded that such adjustments are not material to the current financial statements. We proposed several audit adjustments. These adjustments:

[REDACTED]

SECTION TWO

Financial Reporting Issues

Independent Auditors' Report

Our opinion on the financial statements is an unqualified opinion on the District's general purpose financial statements.

Internal Control

We are not reporting any material weaknesses in the internal controls of the District.

Compliance

With respect to compliance we have issued three separate reports. In the three reports we are not reporting any instances of material noncompliance with laws, regulations, contracts, or grant agreements.



Governmental Accounting Standard number 39 was effective for the year ended June 30, 2004. This new standard requires governmental entities to include "material" component units in their comprehensive financial statements. A component unit is basically defined as an organization that exists to provide benefits exclusively to a governmental entity, either directly or to the governmental unit's constituents. Materiality is a concept relating the financial size of a component unit to the financial size of the governmental unit.

The Columbia Public School Foundation meets the definition of a component unit but currently is not considered to be material to Columbia Public School District, taken as a whole. In the future this may not be the case. If the Foundation is deemed to be material to the District, the independent auditor's report on the District's financial statements will need to be qualified if the Foundation is not included as a component unit.

SECTION THREE

Observations and Recommendations

During our audit, we became aware of matters that are opportunities for strengthening internal controls.

The following paragraphs summarize our comments and suggestions regarding those matters.

ECA Transaction Controls

We noted the following in our testing of ECA transactions:

- In our tests related to fundraising, we noted an instance where there was no deposit comparison.

ECA Transaction Controls (continued)

The Administration should develop standardized procedures for what documentation is expected with ECA deposits. We recommend documentation of ECA receipts be retained and

COLUMBIA

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TO: Board of Education Members
FROM: Phyllis A. Chase *PA*
SUBJECT: Auditors' Communications Letter
DATE: December 14, 2004

At the conclusion of the annual audit it is customary for the auditors to provide the administration, the Audit Committee, and the Board of Education with a communications letter. The purpose of the communications letter is to provide the district with comments